

A fist full of coupons: cigarette continuity programmes

Walton Sumner II, D Gene Dillman II

Abstract

Objectives – To describe “frequent smoker programme” and estimate the economic value of proof-of-purchase coupons of different cigarette brands.

Design – Descriptive study of cigarette continuity programmes operating between 1993 and 1995. Frequent smoker programme catalogues were obtained from points of sale and by calling cigarette companies. When possible, coupon values were calculated by comparing coupon requirements in these catalogues to retail prices for identical items. To estimate the value of more generic merchandise, several items were obtained and compared to retail merchandise. Local merchants and smokers appraised the value of apparently unique merchandise.

Setting – Lexington, Kentucky, USA.

Participants – Local merchants and smokers.

Main outcome measure – The rebate value of proof-of-purchase coupons.

Results – Frequent smoker coupons vary in retail value from \$0.0075 to \$0.52. As percentage of local purchase price, they vary from less than 3% to as much as 44% of retail prices. The new continuity programmes usually offer theme oriented merchandise “branded” with cigarette emblems. The new programmes introduced novel smoking incentives, such as team smoking events. Incidental observations suggest that coupon values do not fully predict the popularity of a programme.

Conclusions – Frequent smoker programmes provide modest real economic incentives for smoking, and probably create or reinforce other incentives to smoke. Health care providers may wish to anticipate the impact of these programmes in their discussions with smokers. Public health officials need to study the promotional impact of these programmes, and should consider regulating them.

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Introduction

Businesses have used proof-of-purchase redemption programmes to encourage brand loyalty from generations of United States citizens. Companies design these programmes

to give prospective customers a sense of added value. Many proof-of-purchase coupons are discarded by non-participating customers, who therefore subsidise merchandise acquired by participants. The sponsor will also pay wholesale prices for goods, while the consumer will probably appraise them at a retail price. Finally, the merchandise often bears company logos or is otherwise unique, making it distinctive in comparison to similar items. Consequently, participants may receive, or believe that they receive, added value for their brand loyalty.

For instance, we found that customers spend an average of 26¢ (SD = 5¢) for each “point” attached to packages of 10 Betty Crocker baking supplies and 18 General Mills cereals. Customers may redeem points for discounts on merchandise in an enduring series of Betty Crocker catalogues. The merchandise in the catalogue expiring in August 1995 includes a five piece set of Lenox fine china in a solitaire pattern for \$108.95, or \$65.25 with 110 points. Points redeemed for this merchandise therefore have an implied value of $(\$108.95 - 65.25)/110 = \0.397 , or about 13¢ more than their average price. Purchasing the set from the Betty Crocker catalogue includes at least a \$5.95 shipping and handling charge, and local sales tax. A local retail store listed identical china at \$114, but offered it at a sale price of \$69. Thus redeeming points to buy this china would be less costly than paying the listed retail price, but slightly more costly than buying it on sale. Although it contains many unique items, we found a similar pattern for 20 retail items in the catalogue. Points had negative value if the consumer could find the merchandise on sale or at a discount store, but had values up to \$0.40 if the alternative was to pay the full retail price. The similarity of sale and discounted catalogue prices suggests that General Mills does not spend much money to redeem points. Presumably, low profit margins in the food industry discourage issuance of high value coupons. Profit margins on cigarettes are much higher, and could support much more valuable coupons.

Cigarette companies have long promoted brands through proof-of-purchase redemption campaigns, also called continuity programmes. Brown and Williamson published the 72nd Raleigh/Belair catalogue in June 1994, and similar redemption programmes were common at the turn of the century. Cigarette company spokespersons recently stated that a frequent

Department of
Family Practice,
University of
Kentucky, Lexington,
Kentucky 40536-0284,
USA
W Sumner
DG Dillman

Correspondence to: Dr
Walton Sumner II

smoker programme identifies customers for political and marketing purposes,¹ promotes brand loyalty,² recruits existing and new smokers to the brand,³ and provides a novel advertising theme.¹ Of course, when distributed merchandise carries brand emblems, the sponsors enjoy free advertising as well.

From an individual smoker's perspective, frequent smoker programmes provide a partial rebate of the price of a package of cigarettes. Participants sign a statement indicating an age of at least 21 years and a willingness "to receive free cigarettes and branded incentive items in the mail", or a similar statement, and may therefore anticipate further economic rewards for participating. Because cigarette demand is somewhat price elastic,⁴ these programmes could result in increased smoking by participants.

Raising the price of cigarettes decreases the rate at which children begin smoking.⁴ No published data describe the effect of rebates on minors' cigarette purchases. A sufficiently appealing frequent smoker programme could presumably increase minors' interest in a brand, just as the Joe Camel advertising theme did among teenagers.^{5,6} Others have found that about one third of United States' teenagers participate in, or possess merchandise distributed by, cigarette continuity programmes.^{7,8}

Cigarette company documents claim that large numbers of smokers participated in recent frequent smoker programmes. Philip Morris's 1993 annual report to shareholders states that "millions of smokers participated in the successful *Marlboro Adventure Team*, one of the largest promotions in consumer products history".⁹ Industry watchers agreed. When an adventure team supplier announced a \$134 million back order, observers estimated Philip Morris's costs for the adventure team promotion at up to \$325 million.^{1,10} Philip Morris should report the vast majority of this cost to the Federal Trade Commission as advertising in the "specialty item distribution" category, and the fraction of costs for merchandise distributed at the point-of-sale in the large "coupons and retail value added" category. Costs for this single promotion equalled 40% of the entire industry's 1993 expenditure of \$756 million, and eclipsed 1990 spending of \$307 million in the specialty item distribution category.^{11,12} This category grew to 12.5% of cigarette advertising in the United States in 1993, after ranging from 4.0% to 7.7% in the preceding five years. Philip Morris's 1994 annual report stated that "approximately 12 million smokers collected 'Marlboro Miles' redeemable for merchandise under our country store and adventure team promotions, the most extensive promotions in industry history."¹³ This represents about 4.7% of the United States population, and nearly all of an estimated 12 314 000 adult Marlboro smokers.¹⁴ Others have also noted the popularity of Marlboro programmes.¹⁵

The RJR-Nabisco Holdings Company 1993 annual report states that the company cut costs by reducing promotional spending. It describes the Winston weekend promotion as

one of the programmes which "efficiently add value to the brand, without the 'scattershot' approach some traditional cigarette marketing programs have used". The same source describes Camel cash as "a branded-merchandise program which draws more than 30 percent of its participants from competitive brands... The program increases the equity of the brand's image and drives volume more efficiently than many other forms of promotion".¹⁶

Informal questioning and an ongoing study of our smoking patients in central Kentucky confirm that many of our Marlboro, Camel, and Winston smokers participate in frequent smoker programmes. Coupon collecting teams developed in response to each promotion. Some parents collect and redeem coupons as a "quality time" activity with their teenage children. We believe that understanding these programmes in detail may help health care providers counsel participating smokers and family members. This report describes the economic value of proof-of-purchase coupons, and identifies other smoking incentives potentially created by these programmes.

Methods

Proof-of-purchase programmes were identified by inspecting cigarette packages, mass media cigarette advertisements, point-of-sale advertisements, and by receiving information sent to cigarette smoker mailing lists from July 1993 to May 1995. Five catalogue brands were found at points of sale in drug stores, grocery stores, and convenience stores. Camel issued Camel cash catalogues III, IV, V, and VI. Winston issued the Winston weekend and Winston Select weekend calendars. Marlboro issued the Adventure team, Country store, and Marlboro gear catalogues. The American Tobacco Company issued an American value series catalogue, which included Private Stock, Summit, and Prime cigarettes. Merit issued the Merit awards catalogue. These programmes offered merchandise in exchange for proofs-of-purchase with minimal cash copayments. Other programmes distributed catalogues primarily by mail (Carlton vacation cash, Raleigh-Belair 72nd edition, Virginia Slims V-wear, Vantage inner circle, Winston Select trading company). Two programmes, both offered by mail, required substantial cash copayments, which varied with the number of coupons redeemed (Winston 40th anniversary, Smokin' Joe's racing/Winston motorsports).

These catalogues occasionally offer name brand merchandise (for example, an appliance made by General Electric), the retail value of which can be obtained from a traditional retail catalogue or store. Coupon values, from a smoker's perspective, equal the price of this merchandise divided by the number of coupons required to obtain it. Many items were specially manufactured and "branded" with a cigarette brand emblem (for example, a shoulder bag bearing the Marlboro name and red roof emblem), and could not be confidently matched to retail goods. Some branded items

were available for a number of coupons, or for a smaller number of coupons plus cash. In this case, the coupon value is the cash copayment divided by the difference in the number of coupons required. Most branded items could only be obtained by redeeming coupons. In order to estimate the value of these items, cigarette proofs-of-purchase were collected from patients, smoking areas, and roadside litter. A smoker redeemed these coupons for items in competing catalogues. The merchandise was matched as nearly as possible to retail merchandise. If no matching retail merchandise could be found, a merchant selling similar goods, or a small group of smokers ($n = 1$ to 10), appraised the item's value.

Results

COUPONS AND CATALOGUES

Marlboro (Philip Morris)

The Adventure team coupon was the UPC (the bar coded universal product code) on the side panel of a pack, including the Marlboro roof emblem. The Country store coupon is similar. One coupon is worth five "Miles". This unit may allude to the airlines' frequent flier miles, but also recalls an old Camel theme and the surname of Michael Miles, who was chairman of the board and chief executive officer. Adventure team coupons were phased out during the country store promotion. Adventure team coupons were not redeemable in the Marlboro gear catalogue.

Three editions of the adventure team catalogue appeared in 1993, as its contents expanded. The final Adventure team catalogue expired on 28 February 1994. The catalogues focused on outdoor clothing and camping equipment. The first edition of the Country store catalogue appeared in mid-April 1994, and expired on 31 December 1994. The catalogue featured western clothing and household items, such as cooking utensils and shaving bags. All items in both programs are "branded" with varying fragrance. The lowest priced items cost 11 coupons in the Adventure team and five coupons in the Country store, while the three highest priced items each cost about 360 coupons (one pack-year). Both programmes were advertised through magazines, billboards, and point-of-sale displays.

The country store catalogue invited 10 person teams to reserve pool tables costing 25000 miles each (5000 coupons), to be submitted by 31 December 1994. At 8 am central standard time, on 16 May 1994, Philip Morris began accepting orders, and by 10 am the company had created a long waiting list (oral communication, Marlboro Country store operator, July 1994). In two hours, at least 10000 smokers committed to obtain coupons from five million packs of Marlboros within the next 230 days, a rate of about 2.1 packs per person per day (or 1.9 packs per person per day starting from mid-April).

The Marlboro gear catalogue, featuring branded outdoor clothing, boots, and electronic devices, arrived in late February 1995, with an expiry date of 31 October 1995. The

lowest priced item was a 22 coupon cap, and the highest priced item was a 457 coupon portable CD player. The catalogue contained six items priced at or above 355 coupons.

Camel (RJR - Nabisco)

Camel cash, or C-notes, are fragile multi-coloured play money glued to the backs of packages of filtered Camel cigarettes. C-notes feature a Joe Camel caricature of George Washington. C-notes originally displayed several jokes, such as a notice that "This Camel note is for all smooth stuff, public and private." These 13.0 cm \times 6.8 cm C-notes were folded in thirds, and either Joe or a pyramid was visible on the back of the pack. C-notes shrank in stages, presumably to reduce costs. By April 1994 C-notes measured only 4.0 cm \times 6.8 cm and no longer required folding. The original C-notes are no longer redeemable. The new C-notes are too small to display jokes, but still place the Joe Camel/George Washington caricature on every pack of filtered Camels.

Camel Cash catalogues are consistently about 25 cm tall and at least 15 cm wide, with multicolour cartoon covers, resembling comic books. Catalogues III and IV contained numerous pictorial and verbal jokes related to the merchandise. Catalogue V, which expired on 31 December 1994, had cartoon cover pages with the first female camels, but no jokes among the merchandise descriptions. Catalogue VI (see fig 1) dropped the female camels,

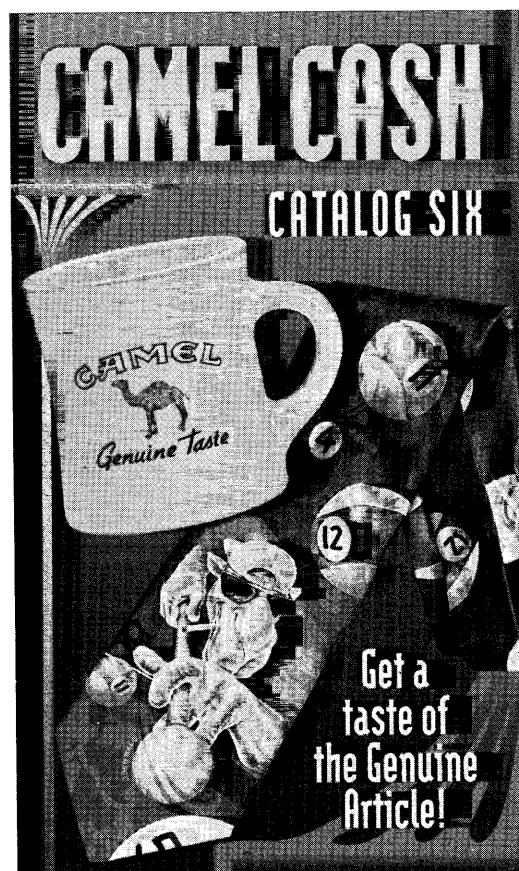


Figure 1 Camel cash catalogue 6

and introduced collectible beer steins and plates, with 22k gold accents. All Camel merchandise displays a Camel logo, including salt and pepper shakers, fishing lures, card games, towels, note pads, watches, glasses, and clothing. The lowest priced items in these catalogues cost 10 to 20 coupons, while the highest priced items are usually jackets costing 350 to 490 coupons. However, catalogues III and VI also offered neon signs for 1250 coupons (3.4 pack-years) and 1000 coupons (2.7 pack-years), respectively. Camel cash promotions were advertised through magazines, billboards, and point-of-sale displays. Catalogues V and VI were issued for calendar years 1994 and 1995, respectively.

Winston (RJR - Nabisco)

Winston proofs were a "Worth A Winston" (WAW) emblem on the back of packages of Winston cigarettes. Coupons on Winston Selects counted as two proofs. The Select Trading Co coupons illustrate "perfectly aged tobacco" on the back of Winston Select packs.

The Winston weekend catalogue was a full size calendar, expiring 31 December 1993. In May 1994, a smaller Winston Select weekend catalogue appeared on store shelves, expiring on 14 January 1995. This programme offered goods in exchange for Winston Select proofs, but not the regular proofs, which lost all value at the end of 1993. The merchandise in both catalogues related largely to spectator sports, such as automobile racing. The lowest priced items in the original catalogue cost 18 coupons, while the highest priced item was a leather jacket costing 980 regular (or 490 select) coupons (between 2.7 and 1.3 pack-years). The lowest priced item in the Select weekends catalogue cost 16 coupons, and the highest priced item was a 300 coupon clock radio. This promotion was advertised through relatively large point-of-sale displays.

Following the select weekends catalogue, Select Trading Co catalogues were offered by mail. These expire on 29 February 1996. They develop the "perfectly aged tobacco" advertising theme with items ranging from an antique tin of wooden matches (25 coupons) to slow cooked baby back ribs (325 coupons).

Camel/Winston (RJR-Nabisco)

A separate Smokin' Joe's racing/Winston motorsports catalogue offered branded merchandise to 31 December 1994. This catalogue accepted cash, or cash plus C-notes and Winston UPCs. A Winston 40th anniversary catalogue offered commemorative branded merchandise up to 31 December 1994, for cash plus Winston UPCs.

American value series (American Brands)

The American value series programme offered only name brand merchandise without cigarette emblems in exchange for the UPC side panel of packages of Prime, Private Stock, and Summit cigarettes. A sealed, pocket sized



Figure 2 Virginia Slims V-wear spring '94 catalogue

catalogue, available at rare point-of-sale displays, offered merchandise at five "levels" of participation, requiring from 30 to 235 coupons. This offer began in the spring of 1994, and expired on 30 September 1994. No local advertising occurred, except for the occasional point-of-sale displays.

Merit (Philip Morris)

Merit (Philip Morris) initiated the "Merit awards" programme in the fall of 1994, offering 10 inconspicuously branded items through to the end of May 1995, in return for Merit UPCs. Catalogues were offered by mail and printed in newspapers. The catalogue offered clothing, a watch, knife, pen, ashtray, and cigarette lighter. Items ranged in price from 20 to 400 coupons.

Virginia Slims (Philip Morris)

The Virginia Slims V-wear spring '94 collection (see fig 2) offered a variety of "retro-chic" clothing and accessories in exchange for pack UPCs. A similar fall '94 catalogue featured a silver theme. Items in these catalogues ranged in price from 20 to 400 coupons.

Raleigh and Belair (Brown and Williamson)

Raleigh-Belair catalogues accept B&W coupons found only in packs of Raleigh (but not Raleigh Extra) and Belair cigarettes. Each pack holds two coupons. Cartons of these cigarettes contain a strip of eight additional coupons, so that a smoker buying cartons can acquire 2.8 coupons per pack. These coupons have never expired.

The 72nd catalogue offers a very wide variety of name brand merchandise, ranging

from baby strollers to chain saws. The catalogue displays very few pictures or comments regarding the Raleigh or Belair brands. Coupon requirements range from 125, for a branded ashtray, to 16650 (that is, more than 16 pack-years), for a microwave oven.

Other programmes

Alpine, Cambridge, Carlton, Kool, and Vantage also offered limited numbers of branded items in short duration frequent smoker programmes. Misty offered a small jewelry selection in the fall of 1994, later replaced by a perfume catalogue.

Lotteries

A Camel cash lottery occurred before the observation period, and Camel cash catalogue IV added a lottery, one entry per order form, no purchase necessary, possibly in response to a Marlboro lottery. The third edition of the Marlboro adventure team catalogue offered a lottery for 100 Jeep Black Stallion 4 × 4s, using a special entry form, no purchase necessary, with one entry per envelope. The Marlboro Country store catalogue was introduced to Adventure team participants with a lottery for all of the items in the catalogue, at a stated retail value of \$750, no purchase necessary, one entry per envelope. Virginia Slims offered a trip to Paris, one entry per envelope, no purchase necessary. The Winston Select weekend catalogue offered a lottery for weekend excursions, no purchase necessary, one entry per envelope. The earlier Winston weekend catalogue offered a similar excursion sweepstakes, with entries priced at six coupons each, unlimited entries per envelope. This sweepstakes also accepted note card entries, no purchase necessary, one entry per envelope. Thus of the many lotteries accompanying the frequent smoker programmes only one allowed smokers to purchase entry tickets with coupons.

Void where prohibited

The Marlboro Adventure team (1993) and American value series (1994) catalogues stated that the programmes were void in Kansas and Wyoming. The Country store, Merit awards, and Virginia Slims catalogues (1994) stated that programmes were void in Kansas, and the Marlboro gear catalogue (1995) only states that the offer is void where prohibited. A Marlboro customer service operator explained that Kansas recently repealed legislation limiting cigarette continuity programmes, but was unaware of similar restrictions in Wyoming. Massachusetts, Michigan, and Virginia, and Nevada placed some restrictions on the lotteries.

EXPLICIT COUPON VALUATION DATA

Table 1 summarises prices and coupons required to obtain name-brand merchandise in various promotions. Explicit Marlboro ad-

venture team coupon values range from 31¢ to 52¢, Country store coupons from 24¢ to 50¢, and Marlboro gear coupons from at least 21¢ to 33¢. In Lexington, Kentucky, packages of Marlboro cigarettes generally cost about \$1.50, making the coupon value 14% to 33% of the pack price.

For 90 C-notes, Camel cash catalogue IV offered a one ounce 0.999 fine silver coin commemorating 80 years of Camel cigarette sales, while silver traded for less than \$5 an ounce. Local coin dealers' bid and asked prices for this coin confirmed a C-note value around 6¢. RJ Reynolds' coupons generally have values under 15¢, unless accompanied by large cash copayments. For instance, 50 C-notes entitled a smoker to a \$19 discount on a \$1199.99 leather jacket. A C-note valued at 10¢ would be a 7% rebate on the local Camel cigarette pack price.

The American value series catalogue states that its merchandise ranges in value from \$15 to \$100, implying coupon values as high as 50¢. Local retail values for identical merchandise ranged from \$6.47 to \$69.97, indicating coupon values of 21¢ to 40¢. These cigarette packs cost \$0.90 locally, so that the coupon constitutes a 23% to 44% rebate.

The Raleigh-Belair catalogue offers a cash rebate of \$0.0075 per coupon, and calculated rebate values are generally 1¢ or less per coupon. The per pack rebate is, at most, 3¢ if the participant buys cartons of cigarettes, or about 3% of retail price. Although participants receive about a \$10.00 rebate per pack-year of smoking, the coupons have never expired.

Most catalogues contain few name brand items. Local merchants and smokers inspected other items, as available, and estimated their retail value. Table 2 summarises estimates of the values of these items. These estimates approximately equal more objectively determined coupon values.

Discussion

Industry officials describe these programmes as efficiently driving volume and reinforcing brand equity.³ Frequent smoker programmes might increase individuals' consumption of a cigarette brand for a period beyond the duration of the programme in several ways. First, cigarette demand is somewhat price elastic, meaning that consumption declines modestly as prices rise.⁴ Demand for an individual brand is very likely to be price elastic, as Marlboro recognised in its initiative to recapture market share lost to discount brands.³ Smokers who equate frequent smoker coupons with a price discount of between 3¢ and 50¢ might purchase a larger number of cigarettes of that brand. Second, smokers might buy more cigarettes in order to acquire a particular piece of merchandise. This seems particularly likely in the new programmes from Philip Morris and RJR-Nabisco, which last for one year or less while offering items priced at one or more pack-year's worth of coupons. Smokers may also be less likely to attempt to stop smoking while saving for a

Table 1 *Coupon value estimates based on name brand merchandise and cash discounts*

Item	Total value	No of coupons	Coupon value
<i>Philip Morris: Marlboro Adventure team</i>			
Swiss Army 6 blade knife	US\$ 20.00	42	US\$ 0.48
Swiss Army watch	125.00	240	0.52
Sevylor inflatable kayak	120.00	360	0.33
<i>Marlboro Country store</i>			
1 Litre Thermos	35.00	105	0.33
Leatherman tool with case	40.00	165	0.24
Swiss Army watch	145.00	290	0.50
Store lottery	750.00	2040	0.37
<i>Marlboro gear</i>			
Double wide cotton hammock	> 80.00	375	> 0.21
Dan Post cowhide boots	150.00	455	0.33
Panasonic portable CD	150.00	457	0.33
<i>Merit awards</i>			
Swiss Army 4 blade engineer knife	≈ 15.97	60	≈ 0.27
<i>American Brands (American Tobacco Company): American value series</i>			
Solitaire Mag-lite	6.47	30	0.22
Black & Decker car vacuum	15.97	60	0.27
Bushnell binoculars	39.97	100	0.40
Black & Decker cordless drill	34.96	160	0.22
General Electric SuperRadio III	49.99	160	0.31
General Electric cordless phone	69.97	235	0.30
General Electric dual cassette radio	49.97	235	0.21
General Electric answering machine	49.97	235	0.21
<i>RJR-Nabisco (RJ Reynolds Tobacco Company): Camel cash catalogues IV-VI</i>			
IV 1 oz Silver Camel collectors' coin	5.00	80	0.06
V Solitaire Mag-lite	6.47	80	0.08
VI Spalding golf balls	6.00	50	0.12
<i>Winston Select weekends</i>			
\$2 coupon for Winstons	2.00	18	0.11
<i>(Winston) Select Trading Co</i>			
Carton of Winston Selects	13.30	75	0.18
<i>Smokin' Joe's racing/Winston motorsports</i>			
Discount on \$3.99 ashtray	0.60	10	0.06
Discount on \$99.99 nylon jacket	9.00	50	0.18
Discount on \$139.99 nylon jacket	12.00	50	0.24
Discount on \$299.99 denim jacket	19.00	50	0.38
Discount on \$1,199.99 leather jacket	19.00	50	0.38
<i>Change in cash and coupon requirements from Winston Weekend to Winston 40th anniversary</i>			
Discount on pool raft	21.00	110	0.19
Discount on flannel shirt	18.00	130	0.14
<i>Brown and Williamson: Raleigh/Belair 72nd edition</i>			
Cash rebate	0.0075	1	0.0075
Travelite baby stroller	39.97	4,950	0.0081
RCA CD Boombox	109.96	10,100	0.0109

The items and discounts listed were offered in cigarette continuity programmes. Smokers could receive the item or discount in exchange for the number of coupons listed in the third column. The calculated rebate value of a single coupon is listed in the fourth column. All brands offered one coupon per pack of cigarettes, except for the Raleigh/Belair programme, which offered two or 2.8 coupons per pack (see text).

Table 2 *Coupon values estimated from subjective merchandise appraisals*

Catalogue	Item	Estimated price	No of coupons	Coupon value
MAT	Red back pack	\$100.00	200	\$0.50
MAT	Road radio	20.00	40	0.50
MAT	840 Gear bag	20.30	80	0.25
MAT	Brush Jak	150.00	359	0.42
MAT	Beach towel	10.00	28	0.36
VS	Leather jacket	100.00	400	0.25
WAW	Chill soft cooler	< 12.97	90	< 0.14
WAW	Belt pack	< 3.99	24	< 0.17

Smokers or local merchants appraised the value of items obtained through frequent smoker programmes. These items were custom-made for the programmes and could not be easily matched to a retail product. The backpack and radio were appraised by local merchants. Other adventure team items were appraised by five to 10 smokers. The Virginia Slims jacket was appraised by its owner. The Winston items were appraised by merchants to be of lower quality and value than similar store merchandise. MAT = Marlboro adventure team; VS = Virginia Slims spring '94; WAW = Worth a Winston.

specific item. If smokers do increase their cigarette consumption during these programmes, they may rehearse a pattern of more frequent smoking, learn to tolerate a higher nicotine level, and become accustomed to a particular brand, thus "reinforcing brand equity".

As an alternative to smoking more, a frequent smoker could ask other smokers to contribute coupons. The Marlboro Country store pool table promotion, which required teams of smokers to acquire approximately 20 coupons per day for eight months, formally

defined a group coupon collecting activity for the first time. Pool table team members may have experienced peer pressure to contribute to the team's effort. This pressure also has the potential to alter smoking behaviour, nicotine tolerance and dependence, brand loyalty, and smoking cessation attempts. We have no information regarding the outcome of the pool table promotion. The subsequent Marlboro gear catalogue omitted team activities, but tripled the number of personal items priced at one pack-year or more. The company is, intentionally or unintentionally, conducting experiments with team smoking incentives. Coupon collecting as a shared social activity appears to be common among our patients, and will be the subject of a later report.

The branded items in the new frequent smoker programmes are typically suited for everyday or recreational use. Merchandise that prominently displays brand emblems and colours may further familiarise children in smokers' households with their parents' brands. Indoctrination to the brand could occur while playing cards, seasoning food, camping, fishing, or just looking around. The process would not involve any deliberate actions by the parent, and affords no opportunity to educate the child regarding the financial or health consequences of smoking. If

this process does occur, and if it encourages children to begin smoking, then frequent smoker programmes would be an investment in recruiting the next generation of smokers.

RJR-Nabisco claimed that its frequent smoker programmes increased sales. Investigating smokers' reactions to the details of different promotions might illuminate the motives that encourage sales. For instance, our coupon collecting activities and discussions with patients strongly suggest that the American value series programme was virtually ignored by local smokers. Of 331 packages of Private Stock, Summit, and Prime cigarettes found during the programme, only one package had been stripped of its UPC code. In contrast, Camel, Marlboro, and Winston coupons were removed on many of the packages found in some neighbourhoods, as has been reported elsewhere.¹⁵ Furthermore, we have identified only one patient who participated in the American value series programme, although many participated in Camel, Marlboro, and Winston programmes.

Although the American value series programme had the highest rebate value as a percentage of sales price, it was not promoted very heavily, and featured name brand (for example, General Electric), rather than "branded" merchandise. Apparently, economic value alone does not secure smokers' interest in a frequent smoker programme. Other features, such as advertising or distinctive branding, seem to play an important role in creating a popular frequent smoker programme.

The differences in rebate values among programmes may reflect differences in the size and health of sponsoring companies. Philip Morris, one of the largest companies in the world, and American Brands were profitable during this period. These companies offered very high value rebates, but the more aggressive Marlboro advertising resulted in a much more popular, and expensive, promotion. RJR-Nabisco sold several popular Nabisco cereal labels to Philip Morris and took other steps to reduce its debt from \$14 billion to \$11 billion between 1992 and 1994. The company apparently chose not to risk the expense of competing with Philip Morris on rebate value, and invested in other features of its promotions, such as distinctive coupons and catalogues. The Raleigh-Belair promotion is not strictly comparable to the above because of its continuity. The B&W coupons are perhaps the major selling point for those brands, so that the company should anticipate a very high redemption rate in the long term. Consequently, the company cannot offer a high rebate value.

TOBACCO CONTROL IMPLICATIONS

Frequent smoker programmes may create a perception of a new benefit from smoking, could habituate smokers to increased nicotine levels, and probably reinforce a sense of community among members of collecting teams.

The health care community can respond to these promotions in several ways. Studies documenting the impact of frequent smoker promotions on the behaviour and health of participants and their children are needed to guide health care and legislative responses to these programmes. Kansas and Wyoming may serve as particularly useful control populations for retrospective studies comparing epidemiological aspects of smoking from 1993 to 1995. Smokers in these states *gained* access to the popular Marlboro programmes during this period, while smokers in neighbouring states had *continuous* access to the programmes (oral communication, Marlboro country store operator, July 1994). The Kansas/Wyoming legislation (before its apparent repeal) may serve as a model for banning cigarette continuity programmes.

More limited legislative action might place limits on frequent smoker programme advertising, catalogues, coupon styles, coupon values, or coupon expiration. The long running Raleigh-Belair programme shows that a frequent smoker programme can engage established adult smokers with nondescript, low value, enduring coupons; an annual catalogue containing mostly name brand merchandise; and no mass advertising. In sharp contrast, the brightly coloured "play money," comical catalogues, and ubiquitous cartoon camels of the Camel cash programme seem particularly likely to appeal to minors. Legislation could require all frequent smoker programmes to use unadorned UPC codes as coupons, to issue plain catalogues, and to refrain from mass advertising without jeopardising the interest of established adult smokers. This would remove "C-notes" and "Miles" from the vocabulary of frequent smokers, and reduce these programmes' ability to embellish previously established advertising imagery and themes. The regular expiry of Camel, Winston, and Marlboro coupons, and the especially short duration of Marlboro catalogues, may create a sense of urgency among smokers seeking to acquire and redeem coupons. Legislation setting expiry rules could reduce such urgency, and could indirectly limit the redemption value of coupons. On the other hand, having a large collection of redeemable coupons might impede a smoker's cessation efforts.

Control of branded merchandise constitutes another legislative front. Legislation might limit the branding of merchandise to a small label bearing the sponsor's name, or require surgeon general's warnings on more flagrantly branded merchandise. None of this merchandise currently displays any surgeon general's warnings. Local school boards might seek ways to discourage students from using branded clothing or bags, because these items advertise products that cannot legally be sold to students.

Frequent smoker programmes increase the importance of enforcing existing statutes. Statutes regarding the sale of tobacco products and distribution of promotional items to minors should be enforced more diligently in the presence of new incentives for children to

smoke. Additionally, Title 26, chapter 52, S 5723 (c) of the US code states: "LOTTERY FEATURES - No certificate, coupon, or other device purporting to be or to represent a ticket, chance, share, or an interest in, or dependent on, the event of a lottery shall be contained in, attached to, or stamped, marked, written, or printed on any package of tobacco products or cigarette papers or tubes". This statute prohibits the Winston weekend lottery in its original form, but was not enforced, in spite of attention drawn to the violation by the Stop Teenage Addiction to Tobacco (STAT) organisation.¹⁷

Health care providers might inquire about incentives that keep smokers loyal to their brands. Providers should help continuity programme participants recognise that (1) money saved by not smoking would buy 3 to 30 times more merchandise than cigarette coupons; (2) the frequent smoker programme could permanently increase their cigarette consumption rate, even if the programmes end; and (3) branded merchandise advertises to their children. Parents might reduce the advertising impact on their children by ordering items without logos, destroying emblems, shunning trademark colours like Marlboro's red, refraining from ordering, and, of course, stopping smoking.

SUMMARY

Frequent smoking programmes have become an important and competitive marketing tool for cigarette manufacturers. By providing small rebates, these programmes encourage smokers to increase their purchases, maintain

brand loyalty, and distribute brand emblems. Health care providers should anticipate that these programmes will impede smoking cessation and prevention efforts, and prepare to counteract them.

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A 1995 brochure for the Skoal Weekend Warrior sweepstakes. Entrants compete for five grand prizes (a jeep, fishing boat, snowmobile, dirt bike, and waverunner (jet ski)) and "over 700 other prizes worth a total of \$40000". The brochure includes a coupon which, when combined with 10 UPCs from any Skoal product, provides a \$5 discount on items purchased from the Skoal merchandise catalogue.